

REPORT OF THE *2-3-10-56*
GOVERNOR'S TASK FORCE
TO STUDY *862156*
INDEPENDENT SALARY SETTING AUTHORITY

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STATE OF MARYLAND
DEPARTMENT OF PERSONNEL

2-3-10-56

Harry Hughes
Governor



John F. X. O'Brien
Secretary

Donald Tynes, Sr.
Deputy Secretary

301 West Preston Street, Baltimore, Maryland 21201

Area Code 301 • 225-

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February 24, 1986

862156

Honorable Harry Hughes
Governor
State House
Annapolis, Maryland 21401

Dear Governor Hughes:

The Task Force on Independent Salary Setting Authority has concluded its study of the independent pay authorities that currently exist in the State. We are pleased to present to you our report of findings and recommendations.

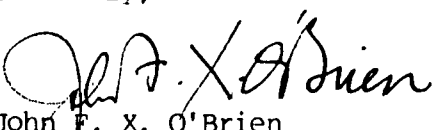
During our deliberations it became clear that there are as many varieties and permutations of pay setting practices as there are pay authorities. It was also clear that there is currently no common oversight over those practices. Even though there have been no insurmountable challenges to these practices, continued lack of oversight and communication between agencies will increase the chances of serious pay equity problems.

The Task Force has recommended three actions which the members feel will reduce the probability of pay inequities and provide for an integrated salary administration process. The Task Force recommends that a pay policy be enacted which establishes guidelines for use in determining if and how independent authority should be created in the future. The Task Force also recommends that salary changes initiated by the various authorities be communicated to the Secretary of Personnel who can then advise the authorities of potential adverse effects. Finally, the Task Force recommends that independent authority be repealed for those agencies where it is no longer necessary or wanted. Proposed legislation to implement all three recommendations is also presented as a part of the report for your consideration.

Governor Harry Hughes
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The members of the Task Force and I are available to answer any questions you may have regarding the report or the recommendations.

Sincerely,


John F. X. O'Brien
Task Force Chair

JFXO'B:MF:dj

REPORT OF THE
GOVERNOR'S TASK FORCE
TO STUDY
INDEPENDENT SALARY SETTING AUTHORITY

February 21, 1986

ACKNOWLEDGEMENT

The Chairman and members of the Task Force to Study Independent Pay Setting Authorities wish to thank all agency representatives who provided data, and especially those providing verbal testimony, for their candor and helpful suggestions.

John F. X. O'Brien, Chairman
Secretary
Department of Personnel

Honorable Stewart Bainum, Jr.
Senator
Maryland State Senate

Honorable Jennie M. Forehand
Delegate
Maryland House of Delegates

Honorable John A. Cade
Senator
Maryland State Senate

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FORMULATION OF THE TASK FORCE

On September 3, 1985, Governor Harry Hughes created a Task Force to Study Independent Salary Setting Authorities. The Task Force was charged with the goal of providing an equitable salary administration system which also preserves the flexibility needed by State agencies in order to attain their missions.

The specific activities assigned by the Governor also coincided with recommendations of the Senate Budget and Taxation Committee made during a review of the FY '86 Annual Salary Review. Those activities included a review of the rationale for the existence of the various independent salary authorities, a study of the salary setting practices of agencies having such authority and the development of recommendations concerning the appropriateness of maintaining, discontinuing or amending the authorities.

During the course of the study, the Senate Budget and Taxation Committee further suggested that the Task Force recommend an overall policy for the granting of independent salary setting authority. Prior reviews of the Annotated Code had revealed the existence of more than thirty (30) independent salary authorities covering over 30,000 State employees. As a result, questions were raised concerning salary equity and the potential for disparate salary treatment of State employees.

BACKGROUND

The State's standard pay administration process requires pay changes to be made through the annual budget cycle. In most years across the board pay raises are made for all employees, setting a general level of wage competitiveness for the State workforce at the beginning of each fiscal year. Additional pay raises for specific classifications are addressed through the Annual Salary Review by Department of Personnel staff to assure, in accordance

with State and federal law, that comparable jobs are paid comparable salaries regardless of agency or location.

Section 27 of Article 64A specifically requires the Secretary of Personnel to "prepare and recommend to the Governor a pay plan for all classes of positions in both the classified and unclassified service to the end that all positions in the service involving comparable duties, experience, responsibilities and authority shall be paid comparable salaries in accordance with the relative value of the services to be performed. In establishing rates of pay, the Secretary shall give consideration to experience, the prevailing rates of pay for the services performed, and for comparable services in public and private employment, living costs, maintenance or other benefits received by employees, and the State's financial condition and policies."

Section 27 also provides for emergency amendments to the pay plan outside the regular budget cycle when it becomes necessary to procure or retain essential employees.

Section 7-109 of the State Financial and Procurement Article requires the Department of Budget and Fiscal Planning to include in the budget bill a list of nonclassified classifications identified by class title, flat rate or per diem compensation, the number of positions in each class and the amount proposed for each of the job classifications. The statute does not require a justification of the proposed amounts nor any consideration of impact on other similarly situated State positions.

Section 7-209(d) of the State Finance and Procurement Article prohibits increases in salaries beyond the amount set in the most recent State budget. The only salary increases permitted are those approved as emergency actions by the Governor, with the approval of the Board of Public Works. All of these increases are also subject to final review and approval by the General Assembly during the budget process.

In addition to Maryland statutes governing pay authority, there is federal legal oversight bearing on the administration of pay plans. Besides constitutional limitations on the ability of public employers to impinge upon the exercise of individual rights or interest embodied in the Fifth and Fourteenth Amendments, specific statutory language applies to the compensation issue. Title VII of the Civil Rights Act of 1964 requires that pay scales must be applied uniformly to all similarly situated employees without regard to the individual's minority status or sex. The Equal Pay Act of 1963 and the 1974 Amendments to the Fair Labor Standards Act forbid paying workers of one sex at a rate different from that paid the other sex for the same work. The Age Discrimination and Employment Act of 1967, as amended in 1974, bars discrimination in hiring, discharge and classification of employee and job applicants who are between the ages of 40 and 70.

Notwithstanding the pay plan requirements specified in the foregoing statutes, a number of agencies have been authorized independent authority to set salaries. While the authority exists in agencies in all three branches of government, the impact is greatest in the area of education, and in higher education in particular, where almost 50% of the affected employees can be found. Independent authority allows these agencies, within established budget limits, to fix pay levels for some or all of their positions absent normal review criteria as specified in law. Therein lies the crux of the problem; those agencies are required to consider neither the general competitive level of State wages, nor the salary levels of other State employees having comparable jobs. In fact, those authorities may not have the resources or information to enable them to make such considerations.

Independent salary authority is usually authorized through statute, in legislation peculiar to the agency. Specific exceptions also exist in the Merit System Article. In some cases, independent authority has been

established through opinions of the Attorney General or through the constitution.

There are circumstances in which legislatively established independent salary authority may make excellent sense. A quasi-public corporation established by law for a specified purpose, reliant on its own self-generated funding and authorized to issue bonds in its own name is one such instance. Few would argue that the corporation should not have the authority to manage its expenses, including its personnel costs..

Temporary authority to fix pay independent of the normal process may also make sense in an instance in which a new agency or program must be started on an emergency basis.

The benefits to the agencies in having independent salary authority are that it enables immediate response to salary problems, it is free from most oversight, and it does not require consideration of other employees or jobs elsewhere in State service where there is no salary flexibility.

The major disadvantage of independent salary authority is that pay increases granted to small groups of employees under independent authority often engender pressure for similar treatment from larger groups of employees who are, or believe themselves to be, similarly situated.

The key to managing independent salary setting authority is not to simply revoke all such arrangements, but to determine which ones are necessary to continue, and in those instances to provide a means of communicating proposed salary changes to appropriate agencies in order to preclude adverse impact where possible.

DATA COLLECTION AND ANALYSIS

In order to gather enough information to determine the extent of the problems and to develop recommendations to deal with the problems, the Task

Force decided to hold several hearings so that agencies could provide testimony. Two hearings were scheduled by invitation only for those agencies which currently have independent authority. A third public hearing was scheduled to receive testimony from other interested parties. Notice of the public hearing was published in the Department of Legislative References' Notice of Scheduled Public Committee Meetings.

Testimony was solicited from twenty-eight distinct salary setting authorities (some agencies have authority in more than one area). All authorities responded to the solicitation in some form. Twelve authorities provided verbal and written testimony, nine provided written responses only, and the remaining seven notified the Task Force staff of their intentions by way of telephone calls.

Of the twenty-eight respondents, twenty-four (24) maintain some sort of on-going liaison with the Department of Personnel, mostly in the form of a direct controlling relationship over classified positions within their personnel allocations that are not subject to salary autonomy. In some cases the relationship merely involves the processing of salary rate and class title changes into the payroll system.

Two respondents requested an expansion of existing authority.

Eight respondents agreed to possible repeal or transfer of existing authority. The overwhelming majority of respondents indicated that they wanted change neither in the scope of their authority nor in the level and extent of control currently exercised by other agencies such as the Department of Personnel and the Department of Budget and Fiscal Planning.

During the course of the hearings, agencies were consistently asked to explain both the rationale for the existence of their independent authority and the impact that would accrue if autonomy were eliminated. The four most common responses were:

- (1) Independent Salary Authority permits a more efficient personnel operation since there are fewer controls and changes can be effected rapidly in order to respond to immediate recruitment and retention problems.
- (2) The jobs for which autonomy has been granted are "unique" to the agency and, as such have little impact outside the agency.
- (3) The function of the agency is more like "private industry" than public service. Thus, the competition for employers is with other private employers who have great flexibility in salary matters.
- (4) The agency is self-supporting since operating funds are generated through fees or other sources.

One major department suggested the addition of a requirement to have independent salary setting authorities "coordinate" salary plan changes with the Department of Personnel. Coordination would involve submission of changes for review and comment only, with no concomitant authority for the Department of Personnel to approve or disapprove.

Most agencies argued that any attempt to repeal their authority or interject additional reviews or controls would not provide a perceptible benefit to the agencies and would slow down personnel operations. It was also suggested that the budget process, which includes reviews in both the executive and legislative branches, already sets salary adjustment parameters by virtue of budget allocations. Finally, it was argued that recommendations of Department of Personnel, while non-binding in character, would be accorded an inordinate amount of weight during budget deliberations, negating the advantage of independent authority.

CONCLUSIONS

The Task Force has concluded from all of the data and testimony presented that despite the controls evident in existing statutes, the existence of pay authorities which are separate from the Secretary of Personnel's pay plan process have created and may continue to create inequitable pay practices among State employees. The major reason is not the absence of control, but rather the absence of communication. There is no single entity responsible for reviewing all salary plan adjustments, including those of the independent authorities, and for identifying areas of potential adverse impact. Knowledge of such adjustments is particularly critical for those jobs where there are comparable, and even identical, counterparts such as clerical, maintenance and security occupations. It also greatly affects executive, professional and administrative jobs having similarly functioning counterparts. The latter groups may be esoteric and may be restricted to specified occupations or segments of the workforce, but many require evaluation by trained job analysts in order to evaluate comparability.

The practices utilized by the respondents clearly indicate that there are a variety of methods used to determine job values. Some respondents resort to the "labor market", which may be broad or restricted (i.e. "private sector", insurers, higher education, local area, etc.), while others resort to internal relative value determinations. Still others try to relate salary levels to the existing State Salary Schedule. The ideal mix would be a seasoned blend of external labor market factors and internal equity across the State system. Evidence has shown that even within specified "labor market" limits inequities may occur (e.g. raiding among Maryland Higher education institutions).

Several agencies identified by this study have independent authority but do not use it. At least one agency was not even aware it had the authority until it was contacted by the Task Force. A significant portion of the existing authorities requested the repeal of statutory pay autonomy.

The arguments offered by the respondents in favor of the retention of pay autonomy, while valid in some respects, cannot always be born out by experience.

While independent authority may permit more efficient personnel operations, it does not guarantee that reasonable efforts will be made to evaluate the effect on all State positions. Many of the authorities simply do not have the wherewithal to make such efforts.

Finally, the argument that the competition for employees is in the private sector where salary flexibility is readily available may be true, but the existing system provides flexibility in emergency situations.

RECOMMENDATIONS

The Task Force recommends that several actions be taken to monitor independent salary setting activities to insure that inequities are identified and avoided whenever possible.

(1) Modify Section 27 of Article 64A to require independent salary setting authorities to send proposed salary plan changes to the Secretary of Personnel for review and comment. This change would provide the communications link that is currently missing. The Secretary of Personnel would be made aware of proposed changes before they became effective, and the agencies would be provided with the effect of proposed changes, information to which they may not have had access. The modification to Section 27 would clearly delineate the jobs to be reviewed, and would set finite time limits for the exchange of information. A proposed modification is included as an attachment to this report.

(2) Repeal those authorities which the agencies have indicated they no longer wish to control. Some agencies have requested repeal either because they do not use it, because it is difficult to deal with, or because they do not feel they clearly have it. The Task Force has identified several such agencies. A proposed bill repealing independent authority for those agencies is included as an attachment to this report.

(3) The Task Force agrees with the Committee on Budget and Taxation that there should be a policy which addresses the issue of independent pay setting authority, including what it is, why it is needed and when it should be applied. Proposed legislation establishing such a policy is included in Attachment 1 [Article 64A, Section 27(H)] to this report.

ATTACHMENT 1

PROPOSED MODIFICATION TO ARTICLE 64A

A BILL ENTITLED

AN ACT concerning

Independent Salary Setting Authority

FOR the purpose of establishing guidelines governing the establishment of independent salary setting authority, and creating certain reporting requirements.

BY adding to

Article 64A

Section 27

Annotated Code of Maryland

(1984 Replacement Volume and 1985 Supplement)

SECTION I. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - 64A

(H) ESTABLISHMENT OF AUTHORITY - INDEPENDENT SALARY SETTING AUTHORITY SHALL ONLY BE ESTABLISHED UNDER THE FOLLOWING CRITERIA:

(1) INDEPENDENT SALARY AUTHORITY IS NOT APPROPRIATE FOR POSITIONS HAVING DIRECTLY COMPARABLE COUNTERPARTS IN THE STATE MERIT SYSTEM NOR FOR POSITIONS WHICH, HAVING NO DIRECT MERIT SYSTEM COUNTERPARTS, MAY HAVE COUNTERPARTS IN OTHER STATE AGENCIES WHERE INTRA-AGENCY COMPETITION WOULD BE CREATED WHEREBY SIMILAR POSITIONS ARE PAID AT SUBSTANTIALLY DIFFERENT RATES.

(2) INDEPENDENT SALARY AUTHORITY MAY BE APPROPRIATE WHERE:

(i) A QUASI-PUBLIC CORPORATION IS ESTABLISHED BY LAW FOR A SPECIFIED PURPOSE AND IS RELIANT ON ITS OWN SELF-GENERATED FUNDING, AND IS AUTHORIZED TO ISSUE BONDS IN ITS OWN NAME;

(ii) AN ENTREPRENEURIAL AGENCY OR PROGRAM IS ESTABLISHED BY LAW FOR A SPECIFIC PURPOSE, IS RELIANT ON ITS OWN SELF-GENERATED FUNDING, AND IS IN COMPETITION WITH SIMILAR PRIVATE SECTOR BUSINESS ENTITIES FOR ADMINISTRATIVE OR PROFESSIONAL PERSONNEL WITH UNIQUE SKILLS;

(iii) AN AGENCY OR PROGRAM IS STARTED ON AN EMERGENCY BASIS AND TEMPORARY AUTHORITY IS DESIRED TO FACILITATE INITIAL START UP. SUCH TEMPORARY AUTHORITY MUST BE REVIEWED AND TERMINATED AT THE EARLIEST POSSIBLE TIME.

(iv) A CONSTITUTIONAL SEPARATION OF POWERS SITUATION EXISTS WHERE AGENCIES AND POSITIONS ARE PART OF THE JUDICIAL OR LEGISLATIVE BRANCHES OF STATE GOVERNMENT; OR

(v) POSITIONS ARE ESTABLISHED AS TEACHING AND RESEARCH FACULTY IN INSTITUTIONS OR HIGHER EDUCATION.

(1) REPORTING REQUIREMENTS OF INDEPENDENT SALARY SETTING AUTHORITIES - INDEPENDENT AUTHORITIES NOT COVERED BY SECTION 27(A) OF THIS ARTICLE SHALL SUBMIT TO THE SECRETARY CHANGES TO SALARY PLANS WHICH INVOLVE INCREASES OR DECREASES IN SALARY RANGES OTHER THAN THOSE ASSOCIATED WITH ROUTINE RECLASSIFICATIONS AND PROMOTIONS OR GENERAL SALARY INCREASES APPROVED BY THE GENERAL ASSEMBLY. REPORTABLE CHANGES INCLUDE BUT ARE NOT LIMITED TO CREATION OR ABOLITION OF CLASSES, REGRADING OF CLASSES FROM ONE ESTABLISHED RANGE TO ANOTHER OR CREATION OF NEW PAY SCHEDULES OR RANGES. THE SECRETARY SHALL REVIEW PROPOSED CHANGES, DETERMINE WHETHER SUCH CHANGES WOULD HAVE AN ADVERSE EFFECT ON COMPARABLE STATE JOBS, AND SO ADVISE THE INDEPENDENT SALARY SETTING AUTHORITY.

(1) THIS REQUIREMENT APPLIES TO ALL CLASSES WHICH DO NOT FALL UNDER THE SALARY JURISDICTION OF THE SECRETARY OF PERSONNEL AND FOR WHICH SEPARATE STATUTORY AUTHORIZATION EXISTS. EXCLUDED FROM THIS REQUIREMENT ARE ALL HIGHER EDUCATION BOARDS, AGENCIES, INSTITUTIONS AND FACILITIES.

(2) SALARY PLAN CHANGES SHALL BE RESTRICTED TO ONCE EACH FISCAL YEAR TO COINCIDE WITH THE ANNUAL BUDGET PROCESS. EXCEPTIONS TO THIS RESTRICTION ARE AUTHORIZED IN CASES OF ACUTE EMERGENCY WHERE SUCH CHANGES ARE NECESSARY TO PROCURE OR RETAIN ESSENTIAL CAREER EXECUTIVE, PROFESSIONAL, ADMINISTRATIVE OR TECHNICAL EMPLOYEES.

(3) SALARY PLAN CHANGES SHALL BE SUBMITTED TO THE SECRETARY AT LEAST FORTY-FIVE (45) DAYS PRIOR TO THE PROPOSED EFFECTIVE DATE OF THE SALARY PLAN CHANGES. THE SECRETARY SHALL RESPOND TO THE INDEPENDENT SALARY SETTING AUTHORITY NOT LATER THAN FIFTEEN (15) DAYS PRIOR TO THE PROPOSED EFFECTIVE DATE OF THE SALARY PLAN CHANGES. FAILURE OF THE SECRETARY TO RESPOND WITHIN THE ESTABLISHED TIME LIMIT SHALL BE CONSIDERED THE SAME AS A STATEMENT OF NO ADVERSE EFFECT.

(4) TIME LIMITS SET FORTH IN (3) MAY BE WAIVED BY MUTUAL AGREEMENT OF THE SECRETARY AND THE INDEPENDENT SALARY SETTING AUTHORITY.

(5) EACH INDEPENDENT SALARY AUTHORITY SHALL REPORT ANNUALLY TO THE GENERAL ASSEMBLY ON THE FIRST DAY OF THE REGULAR SESSION THOSE SALARY PLAN CHANGES MADE DURING THE PRECEDING CALENDAR YEAR. EACH REPORT SHALL CONTAIN A LIST OF THE CLASSIFICATIONS AFFECTED, THE CHANGE, THE NUMBER OF POSITIONS IN THE CLASSIFICATION AND THE REASON FOR THE CHANGE.

(6) NOTHING IN THIS SECTION PRECLUDES THE NECESSITY FOR REPORTING SALARY CHANGES AS REQUIRED IN SECTIONS 70109 and 7-209 OF THE FINANCE AND PROCUREMENT ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, that this Act shall take effect July 1, 1986.

ATTACHMENT 2

PROPOSED REPEAL LEGISLATION

A BILL ENTITLED

AN ACT concerning

Repeal of Independent Salary Setting Authority

FOR the purpose of repealing certain authorities to independently determine salaries of certain positions in State service.

BY repealing and reenacting, with amendments,

Article 41
Section 259
Annotated Code of Maryland
(1982 Replacement Volume)

Article 41
Section 362
Annotated Code of Maryland
(1982 Replacement Volume and 1985 Supplement)

Article 41
Section 371
Annotated Code of Maryland
(1982 Replacement Volume)

Article 41
Section 364B
Annotated Code of Maryland
(1982 Replacement Volume)

Article 41
Section 493
Annotated Code of Maryland
(1982 Replacement Volume)

Article 73B
Section 160
Annotated Code of Maryland
(1983 Replacement Volume and 1985 Supplement)

Article 73B
Section 161
Annotated Code of Maryland
(1983 Replacement Volume)

Article 78B
Section 5
Annotated Code of Maryland
(1980 Replacement Volume and 1985 Interim Supplement)

Article 88A
Section 1
Annotated Code of Maryland
(1985 Replacement Volume)

Article 89
Section 11
Annotated Code of Maryland
(1985 Replacement Volume)

Agriculture
Section 7-204
Annotated Code of Maryland
(1985 Replacement Volume)

Agriculture
Section 8-203
Annotated Code of Maryland
(1985 Replacement Volume)

Agriculture
Section 10-404D
Annotated Code of Maryland
(1985 Replacement Volume)

State Finance and Procurement
Section 10-201
Annotated Code of Maryland
(1985 Volume)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 41

§ 259. Director of Division.

The Secretary of Economic and Community Development, with the approval of the Governor, shall appoint a Director of the Division of Economic Development. The position of Director shall [not be subject to the provisions of Article 64A of this Code, but once appointed he shall] hold office at the Secretary's pleasure. He may be removed by the Secretary of Economic and Community Development, with the approval of the Governor. Any such removal by the Secretary of Economic and Community Development is final and is not subject to any appeal. The Director shall be selected because of his known experience and interest in the development of natural resources and industrial opportunities. [He shall receive such salary as provided in the budget from time to time.] The Director shall operate this Division under the direction of the Secretary of Economic and Community Development in accordance with the provisions of the law relating to establishment of the Department of Economic and Community Development. (1959, ch. 185, § 2; 1966, ch. 493; 1970, ch. 527, § 2.)

**§ 362. Office part of Department of Human Resources;
Executive Director and deputy director.**

(a) The Community Services Administration is part of the State Department of Human Resources. The Secretary of Human Resources, with the approval of the Governor, shall appoint an Executive Director of the Administration who shall be chief administrative and executive officer thereof. The Secretary, with the approval of the Governor, also shall appoint a deputy director of the Administration who shall be the principal assistant to the Executive Director. They shall not be subject to the provisions of Article 64A of this Code, and shall be selected because of their known experience and interest in the advancement and development of economic opportunity. They shall receive such salaries as provided in the budget from time to time.

(b) The exercise of all authority, duties, and functions vested in the Community Services Administration or the Executive Director or deputy director thereof by the provisions of this subtitle or by any other laws of this State shall be subject to the authority of the Secretary of Human Resources as set forth in Article 41 of this Code or elsewhere in the laws of Maryland.

**§ 364B. To be part of Department of Employment and
Social Services; Administrator; authority of
Secretary of Employment and Social Services.**

(a) The Maryland Service Corps shall be part of the State Department of Employment and Social Services. The Secretary of Employment and Social Services, with the approval of the Governor, shall appoint an Administrator of the Corps who shall be chief administrative and executive officer thereof. The Administrator shall not be subject to the provisions of Article 64A of this Code, and shall receive such salary as is provided in the budget from time to time.

(b) The exercise of all authority, duties, and functions vested in the Maryland Service Corps or the Administrator thereof by the provisions of this subtitle or by any other laws of this State shall be subject to the authority of the Secretary of Employment and Social Services. (1972, ch. 354.)

1. Director; vice-chairman; treasurer; other employees.

Appointment and removal of director and other employees; salary of director; membership in State Employees' Retirement System; pensions. — The Commissioners, subject to approval by the Secretary of Economic and Community Development, may appoint from without their number a director of the St. Mary's City Commission, to serve as executive secretary of the Commission and to direct and administer the activities of the Commission subject to the direction and control of the Commissioners and the Secretary of Economic and Community Development. The director shall serve at such salary as may be determined by the Commission, subject to approval by the Secretary of the Department of Economic and Community Development. The Commission may employ other persons at such salaries as it may determine, subject to the approval by the Secretary of the Department of Economic and Community Development. The director and other employees of the Commission are not subject to the provisions of Article 64A of this Code, title "Merit System," and they may be appointed and removed by the Secretary of the Department of Economic and Community Development from time to time. The director and each other officer and employee of the Commission, at the election of each individual, may become a member of the State Employees' Retirement System and be subject fully to the provisions of Article 73B of this Code, title "Pensions."

(b) *Vice-chairman.* — The Commission from time to time shall elect one of their number to serve as vice-chairman. In the absence of the chairman, the vice-chairman shall assume the duties of that office.

(c) *Election of treasurer; duties; bond.* — The Commission from time to time shall elect one of their number to serve as treasurer. The treasurer shall be a responsible person and shall receive and account for such funds of the Commission as come into his custody. He shall, upon entering the duties of his office, be covered by a surety bond in accordance with the provisions of §§ 46 through 50 of Article 78A of the Annotated Code of Maryland. (1966, ch. 115, § 1; 1967, ch. 703; 1970, ch. 527, § 3.)

§ 493. Program part of Office of Economic Opportunity; coordinator and deputy coordinator; authority of Secretary of Human Resources.

(a) The energy assistance and information program is part of the Maryland Office of Economic Opportunity. A coordinator for the program shall be appointed by the Executive Director of the Maryland Office of Economic Opportunity. The coordinator shall be the chief administrator of the energy assistance and information program. The Executive Director of the Maryland Office of Economic Opportunity shall also appoint a deputy coordinator who shall be the principal assistant to the coordinator. Both appointees are not subject to Article 64A of this Code, and shall be selected because of their known experience and interest in the development and implementation of economic opportunity programs. They shall receive salaries as provided in the budget.

(b) The exercise of all authority, duties, and functions vested, or to be vested, in the office of energy assistance and information or in the coordinator or the deputy coordinator by the provisions of this subheading or by any other law of this State is subject to the authority of the Secretary of the Department of Human Resources as set forth in Article 41 of this Code or elsewhere in the laws of Maryland.

§ 160. Administrative agency.

(1) There is created the Maryland State Retirement Agency, an agency of the Board of Trustees responsible for carrying out the administrative duties and business of the several systems, with the exception of investments.

(2) There shall be an executive director for administration who shall be in charge of the State Retirement Agency and shall have the functions and duties as may be delegated to him by the Board of Trustees. The executive director for administration shall be appointed by the Board of Trustees and shall serve at the pleasure of the Board. He shall receive the compensation provided in the budget.]

(3) The executive director for administration shall appoint the employees as are provided for in the budget. The staff shall be classified employees subject to the provisions of Article 64A, except for employees holding positions that are designated by the executive director, with the approval of the Board of Trustees, as professional or technical positions that involve specialized skill, education, and knowledge, and whose labor is predominantly intellectual rather than physical or manual. [The compensation of any unclassified employees shall be determined by the Board of Trustees, with the approval of the Board of Public Works.]

(4) The Board of Trustees shall be responsible for the budget of the State Retirement Agency. The executive director for administration shall compile annually a comprehensive budget for submission to the Board of Trustees.

(5) All expenses in connection with the administration and operation of the State Retirement Agency shall be paid from the income or assets of the funds of the several systems. Each of the several systems shall be charged its pro rata share of the expenses of administration and operation. Expenditures shall be in accordance with appropriations made by the General Assembly. (1982, ch. 506, § 9.)

(6) (a) The State Retirement Agency may provide benefit determination data and other technical assistance on the written request of a participating municipal corporation that desires to establish a separate additional program of interim or supplemental allowances for a class or classes of its officers and employees as authorized in paragraph (c) of this subsection.

(b) The State Retirement Agency shall charge any municipal corporation making a request under paragraph (a) of this subsection for the expenses incurred in connection with the preparation of the data and the provision of the technical assistance.

(c) A participating municipal corporation may establish, by law, a separate additional program of interim or supplemental allowances for a class or classes of its officers and employees. The program shall be funded by the municipal corporation separate and apart from any benefits provided under the provisions of this article. (1985, ch. 737.)

§ 161. State Investment Agency; executive director; State Investment Council.

(1) There is a State Investment Agency which shall be responsible for the investment of the funds of the several systems as specified by the State Investment Council and approved by the Board of Trustees.

(2) (a) There shall be an executive director for investments who shall be the executive and administrative head of the State Investment Agency and shall be responsible for planning, directing, coordinating, and executing the functions of the Agency in conformance with regulations and policies established by the Board of Trustees. The executive director for investments shall be appointed by the Board of Trustees and shall serve at the pleasure of the Board. The executive director shall be qualified by training and prior experience to manage, administer, and direct the investment of funds [and shall receive for his services the compensation provided in the budget].

(b) In the event the executive director for investments vacates his position or becomes incapacitated, the chairman of the Board of Trustees, with the advice of members of the Investment Council, shall appoint an acting executive director to serve until a permanent appointment is made.

(c) The executive director, with the approval of the chairman of the Board of Trustees, may designate an employee of his office to temporarily act in his place during any period requiring his absence for an extended length of time.

(3) All documents which must be executed by or on behalf of the Board of Trustees shall be signed by the executive director or, in the absence or disability of the executive director, another employee as may be designated in writing by the executive director with the approval of the chairman of the Board of Trustees. If a countersignature is required for any reason, the executive director, with the approval of the chairman of the Board of Trustees, shall designate those employees of the Agency who may sign.

(4) (a) There is a State Investment Council. The Investment Council shall consist of 9 members as follows:

(i) 6 members appointed by the Board of Trustees from among its 15 members for staggered 4 year terms, 1 of whom shall be an elected trustee of the employee system, 1 of whom shall be an elected trustee of the teachers' system, 1 of whom shall be an appointed trustee of the State Police system, and 3 of whom shall be appointed or ex officio trustees; and

(ii) 3 members of the public appointed by the Board of Trustees with the approval of the Board of Public Works for staggered 4 year terms who are not members or beneficiaries of any of the several systems and who have had a background of experience in the management and control of large investment funds. The Board of Trustees may set additional qualifications for public members and may adopt rules and regulations relating to ethical standards and conflicts of interest for public members.

(b) The chairman and vice chairman of the Investment Council shall be designated annually by the Board of Trustees.

(c) (i) The Investment Council shall supervise the activities of the State Investment Agency on behalf of the Board of Trustees.

(ii) The members of the Council shall review all investment programs to ensure compliance with established policy.

(iii) The members of the Council shall prepare an operations manual detailing functions of the Investment Council and the State Investment Agency, goals and objectives of the several investment programs, and policies governing investment selection and retention. Amendments shall be incorporated from time to time as conditions warrant. The operations manual and any subsequent amendments thereto shall be submitted to the Board of Trustees for approval prior to implementation.

(iv) The members of the Council shall review annual budget requests of the State Investment Agency, including salary requests, staffing levels, and staff distribution.

(d) The members of the Investment Council shall be reimbursed for their actual and necessary expenses incurred in the performance of their duties in accordance with the Standard State Travel Regulations. Public members of the Investment Council shall be paid compensation at the per diem rate provided in the budget for each day on which they are actually and necessarily engaged in the performance of their duties. Trustee members of the Investment Council shall receive no compensation for their services.

(5) The executive director for investments shall appoint such employees as may be provided for in the budget to assist in carrying out the duties of the Agency. The staff shall be classified employees subject to the provisions of Article 64A except for employees holding positions that are designated by the executive director, with the approval of the Board of Trustees, as professional or technical positions that involve specialized skill, education, and knowledge, and whose labor is predominantly intellectual rather than physical or manual. [The compensation of unclassified employees shall be determined by the Board of Trustees with the approval of the Board of Public Works.] All employees of the State Investment Agency shall comply with policies prescribed by the Board of Trustees concerning personal investments and conflicts of interest.

(6) The members of the State Investment Council shall determine what bonding, if any, employees of the Agency shall be required to have in addition to that provided by the Treasurer in accordance with the provisions of §§ 46 through 50 of Article 78A of the Annotated Code of Maryland.

(7) Expenses in connection with the administration and operation of the State Investment Agency shall be paid from the income, interest, and dividends derived from deposits and investments administered by the Agency. Expenditures shall be in accordance with appropriations made by the General Assembly.

(8) The Board of Trustees shall be responsible for the budget of the State Investment Agency. The executive director of the State Investment Agency shall compile annually a comprehensive budget. The budget of the Investment Agency shall be submitted to the Investment Council for review and recommendation, prior to submission to the Board of Trustees.

(9) The executive director of the State Investment Agency shall submit a report on or before September 15 of each year to the Board of Trustees on the performance and operation of the Agency during the fiscal year concluded on the preceding June 30. The Board may prescribe the format of the report and may require such information as it deems appropriate.

(10) (a) The State Treasurer shall be the custodian of the annuity savings funds, accumulation funds, and expense funds of the several systems. All payments from the funds shall be made in accordance with rules adopted by the Board of Trustees, with the approval of the State Treasurer.

(b) The State Treasurer shall be the custodian of the securities, investments, deposits, and funds of the State Investment Agency.

(c) The State Treasurer is authorized to enter into arrangements with 1 or more duly qualified banks or trust companies for the safe custody of investments, for banking services, and for any other function considered necessary to physically safeguard the assets managed by the State Investment Agency.

(d) Any of the securities purchased by the State Investment Agency may be deposited in vaults or other safe depositories outside the office of the State Treasurer, both in and outside this State. A safekeeping receipt shall be delivered to and kept on file by the State Investment Agency for all securities so deposited. The safekeeping receipt shall describe the securities covered and be payable on demand, without conditions, to the State Investment Agency or to any designated fund under the control of the Agency or to the State Treasurer.

(11) (a) Except as provided in paragraph (d) of this subsection (11), the State Investment Agency may invest and reinvest assets of a fund, subject to the terms, conditions, limitations, and restrictions imposed by the Board of Trustees; except that not more than 15 percent of the assets that are invested in common stocks may be invested in nondividend paying common stocks. Subject to like terms, conditions, limitations, and restrictions, the Agency shall have full power to hold, purchase, sell, assign, transfer, and dispose of any of the securities and investments in which any fund shall have been invested, as well as the proceeds of the investments and any moneys belonging to the funds. Ground rent redemption deeds, releases or reassignments of mortgages, satisfactions or reassignments of notes conveying, releasing, or reassigning any interest owned by the State of Maryland for the use of a fund shall be executed by any 2 of the following: Treasurer of the State of Maryland, executive director of the State Investment Agency, or another employee of the State Investment Agency as designated by the executive director and approved by the Board of Trustees.

(b) In setting the terms, conditions, limitations, and restrictions on the Agency's investment powers, the Board of Trustees is governed by the standards of care that are stipulated under § 74 of this article.

(c) The terms, conditions, limitations, and restrictions that are adopted by the Board of Trustees are included in the operations manual that is required under subsection (4) (c) (iii) of this section.

(d) (i) The Board of Trustees shall require the external investment managers, from July 1, 1985 until June 30, 1987, not to make any new investments from net new funds allocated to the managers in any stock, security, or other obligation of any company that does business in or with the Republic of South Africa and that does not qualify for exemption under paragraph (ii) of this subsection.

(ii) The investment prohibition established under paragraph (i) of this subsection does not apply to any company that does business in or with the Republic of South Africa if the company in the conduct of its business in South Africa:

1. Has agreed to abide by the following principles:

A. Nonsegregation of the races in all eating, comfort, and work facilities;

B. Equal and fair employment practices for all employees;

C. Equal pay for all employees doing equal or comparable work for the same period of time;

D. Initiation and development of training programs that will prepare substantial numbers of black and other nonwhite persons for supervisory, administrative, clerical, and technical jobs;

E. Increasing the number of blacks, coloureds, and Asians in management and supervisory positions; and

F. Improvement in the quality of employees' lives outside the work environment including, but not limited to, the areas of housing, transportation, education, recreation, and health care; and

2. Is a new signatory to these principles or has demonstrated that it is making progress or good progress in implementing these principles.

(iii) The executive director of the State Investment Agency shall consult with the State Investment Council in developing, interpreting, and administering any requirement relating to these policies.

(1984, ch. 290; 1985, ch. 262; ch. 775, § 1.)

(12) (a) Under the supervision of the Board of Trustees, the State Investment Agency shall control and manage all funds and moneys of the several systems except funds which by law are required to be controlled by another body or authority.

(b) The Board of Trustees shall be deemed the owner of all investments of the several systems but it may delegate some or all incidents of ownership to the State Investment Agency for the purpose of administering the investment portfolios of the several systems.

(c) The Agency may commingle assets of the several systems provided that it shall at all times maintain or cause to be maintained records from which it can be determined the percentage participation of any particular system; the percentage of income, gains, and losses applicable to each system; and the total contributions and disbursements applicable to each system.

(13) Notwithstanding the provisions of any other statute presently existing or hereinafter enacted, unless specific reference is made to this subsection, the Agency shall keep all records, papers, analyses, forecasts, reports, negotiations, and recommendations closed to public inspection until a proposed purchase or program of purchases leading to a cumulative position in a security, the making of a loan, any proposed sale or program of sales leading to the elimination of a position in a security, or the sale or prepayment of a loan all have been completed and release of the information would not have an adverse effect on the negotiation or the market price of the security or securities.

Article 78B

§ 5. Salaries; number and appointment of stewards and judges.

(a) *In general.* — [The salaries of the Commission, of its secretary and of its stenographers and clerks shall be as in the budget provided.] In addition to the employees of the Commission, [whose salaries are provided for in the budget,] the Commission is authorized to employ at [reasonable compensation,] a reasonable number of inspectors, guards, experts, scientists, auditors, veterinarians, and other employees or agents deemed by the Commission to be essential at or in connection with any race meeting to the best interests of racing (hereinafter referred to as "additional employees,") and is further authorized to maintain a testing laboratory and to purchase supplies and equipment for and in connection with such laboratory or other tests or testing processes. The expenses of such laboratory or other testing process and of the supplies and equipment needed in connection with either shall be paid by all

licensees licensed in any calendar year under this article in the ratio which the number of days of racing conducted by such licensee bears to the whole number of days of licensed racing, with betting privileges, held in this State during such year. The compensation, the employer's share of contributions with respect to benefits under the federal old age and survivor's insurance system (social security), and the employer's share of contributions with respect to benefits under the Employees' Retirement System of the State of Maryland for these additional employees shall be paid by the licensee of the race meeting in connection with which they are utilized or employed. Each licensee as a condition precedent to the privilege of receiving a license under this article shall be deemed to have agreed that it will pay the actual reasonable expenses, compensation, and contributions with respect to social security and State Employees' Retirement System benefits for such additional employees.

(b) *Stewards, judges, etc.* — Except for stewards and harness judges, the officials at any race meeting, as this term is customarily understood in racing, including by way of enumeration only and not in limitation, placing judges, patrol judges, clerks of the scales, starters and assistants, handicapper, timer, paddock judge, veterinarian attached to the paddock, racing secretary and clerk of the course shall be employed and paid by the licensee conducting the race meeting. There shall be three stewards at every race meeting conducted by any licensee under the provisions of §§ 7 and 15 of this article. There shall be three harness judges at every race meeting conducted by any licensee under the provisions of § 17 of this article. All stewards and harness judges shall be appointed by the Commission upon recommendation of the executive director. The racing associations and organizations representing the horsemen may make recommendations of qualified persons for the Commission's and executive director's consideration for appointment as stewards or harness judges.

Article 88A

§ 1. Administration established; Board of Social Services.

(a) *Administration established.* — There is hereby created and established a State Administration, to be known as the "Social Services Administration", hereinafter referred to as the "State Administration" or as the "State Department".

(b) *Director to prescribe number [salaries] and minimum qualifications of personnel.* — The State Director of Social Services may prescribe the number [salaries] and minimum qualifications of all of the personnel engaged in the administration of the activities of the State Administration and of the local departments of social services (hereinafter referred to as "local departments"), created or continued under the provisions of § 13 of this article, as are financed in whole or in part by the State Administration.

(c) *Social Services Administration subject to authority of Secretary of Human Resources.* — The exercise of all authority, duties, and functions vested in the Social Services Administration or the State Director of Social Services by the provisions of this article or by any other laws of this State shall be subject to the authority of the Secretary of Human Resources as set forth in Article 41 of this Code or elsewhere in the laws of Maryland. (An. Code, 1951, §§ 1, 2; 1939, §§ 1, 2; 1939, c. 240, §§ 1, 2; 1943, ch. 797, § 2; 1949, ch. 12; 1953, ch. 518, § 2; 1967, ch. 148, § 3; 1968, ch. 702, § 1; 1969, ch. 402, § 3; 1970, ch. 96, § 3; 1975, ch. 726, § 5; 1984, ch. 421.)

§ 7-204. Executive Secretary-Treasurer; seasonal employees; office space and equipment.

The Authority, subject to the provisions of the budget and the approval of the Secretary, may appoint an Executive Secretary-Treasurer and fix conditions of employment [and salary], employ persons on a seasonal basis and fix the conditions of employment [and salary], and lease or buy office space and purchase necessary supplies and equipment. (An. Code 1957, art. 48, § 63; 1973, 1st Sp. Sess., ch. 6, § 1.)

§ 8-203. Administrative officer and employees; legal services; district employees.

(a) *Administrative officer and employees.* — The Committee may employ an administrative officer, technical experts, and other permanent or temporary employees, it requires, and shall determine their qualifications [duties] and [compensation] DUTIES.

(b) *Legal services.* — The Committee may call upon the Attorney General for legal services it requires.

(c) *Clerical, administrative or technical employees for districts.* — As authorized by the annual State budget, the Committee may employ clerical, administrative, or technical employees to be assigned to soil conservation districts organized under this title to assist the district boards of supervisors in carrying out the conservation program authorized under this title. This subsection does not authorize the hiring of employees to assist in the operation of equipment or similar optional activities for which a charge is made by the district, other than demonstration type projects approved by the Committee.

(d) *Cooperation in providing personnel, space and other items for districts.* — The Committee may cooperate with local governments in providing soil conservation districts with personnel, space, and other items or assistance to aid the district in carrying out the soil and water conservation program authorized under this title. The Committee may accept from local governments, financial or other aid to supplement State funds allocated to provide personnel, space, and other items for soil conservation districts. The Committee may spend public funds of the State, appropriated for administration of this title, to pay the State share of costs of the cooperative program as may be agreed on by the Committee and the county government.

(e) *Eligibility of district employees for appointment under merit system.* — The district clerical and administrative employees supported by State funds on July 1, 1978 upon application by the district shall become eligible for appointment under the State merit system as employees of the State Soil Conservation Committee to be assigned to districts as provided under Article 64A, § 9P. The Committee may employ part-time classified personnel for these positions if full funding is not available from State or local sources, or both. (An. Code 1957, art. 66C, § 91; 1973, 1st Sp. Sess., ch. 6, § 1; 1977, ch. 872, § 1; 1979, ch. 65.)

§ 10-404. Duties and powers of Commission.

(a) *Administration of funds.* — The Commission shall administer all funds levied and collected under this subtitle subject to approval of the Secretary.

(b) *Advertising and research; contracts.* — The Commission shall plan and conduct campaigns of education, advertising, publicity, sales promotion, and research to increase the demand for, and the consumption of Maryland apples. It may enter contracts, expend money of the Apple Merchandising Fund, and take other actions necessary to effectuate the purposes of this subtitle.

(c) *Cooperation with state, regional, and national organizations.* — The Commission may cooperate with other state, regional, national, agricultural, and horticultural organizations in research, advertising, publicity, education, and other means of promoting the sale and use of apples, and expend money of the Apple Merchandising Fund for these purposes.

(d) *Employees.* — The Commission, subject to approval of the Secretary and the provisions of the budget, may appoint a secretary and any other employee necessary [at salaries fixed by the Commission]. Every employee shall be covered by a surety bond approved by the Maryland State Employees Surety Bond Committee. (An. Code 1957, art. 97, § 73; 1973, 1st Sp. Sess., ch. 6, § 1; 1974, ch. 177, § 1.)

State Finance and Procurement

§ 10-201. Secretary.

(a) *Position and appointment.* — The Board may appoint a full-time secretary.

(b) *Tenure.* — The secretary serves at the pleasure of the Board.

(c) *Qualifications.* — The secretary:

(1) must be a person of high character and integrity; and

(2) shall be appointed on the basis of executive skill and ability.

[(d) *Salary.* — The Board shall set the salary of the secretary.] (An. Code 1957, art. 78A, § 1A; 1985, ch. 11, § 2.)

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1986.

ATTACHMENT 3
LETTER FROM THE GOVERNOR

am requesting all State agencies, including those with independent salary setting authority, to coordinate proposed pay changes through the Department of Personnel in conjunction with the Fiscal Year 1987 Annual Salary Review.

This cooperative approach for the next budget cycle will prevent preceptions of inequity from arising until the matter of independent pay setting authorities is fully addressed.

Sincerely,


Governor

ATTACHMENT 4
IDENTIFICATION OF
INDEPENDENT AUTHORITIES

<u>Department/Agency</u> <u>Education</u>	<u>Authority</u>	<u>Groups Covered</u>	<u>Employees</u>	<u>Status and Date of Implementation</u>	<u>Comments</u>
University of Maryland	Education 13-1A	Full autonomy in pay, except that classified personnel may not be paid less than classified personnel covered by the Merit System law	about 14,700	Implemented in mid 1950's	
Brd. of Trustees of State Colleges & Univ.	Education 14-104	Professional positions on the Board's staff	625	Implemented January, 1984	Common practice for salary autonomy to be retained for faculty and professionals.
	Education 14-105	Professional positions including faculty of the college and univ.			
Brd. for Morgan State University	Education 13-204	Professional positions including faculty of the University	100	In process of implementing	
Brd. for St. Mary's Col.	Education 15-104	Professional positions, including faculty of the college	55	Implemented January, 1984	
State Brd. of Education	Education 21-303	All persons in the Division of Vocational Rehabilitation	700	Never Implemented	Position count includes 270 workers in Disability Determination programs.
State Brd. of Education	Education 6-303	Teachers employed in Juvenile Services Institutions	about 300	Implemented mid 1950's	
	See also Art. 64A Sec. 27(a) and 3	Teachers and vocational instructors employed in hospitals, prisons, and in vocational rehabilitation programs		Implemented July, 1983	

<u>Department/Agency</u>	<u>Authority</u>	<u>Groups Covered</u>	<u>Employees</u>	<u>Status and Date of Implementation</u>	<u>Comments</u>
Maryland Automobile Insurance Fund	Article 48A Sec. 243B	Executive Director, Directors, Asst. Directors, MAIF Claims Salary Plan	± 60	Implemented in 1974	
Dept. Health & Mental Hygiene					
Office of Environmental Health & Environ. 9-226		Water, Ice and Sanitary Facilities Inspections			
Drug Abuse Admin.	Health General 9-402c	Facility Directors			
<u>Transportation</u>					
Transport.-Port Adm.	Transportation 6-204	Travelling representatives and other key personnel who the administration determines re- quire engineering, scientific or expert training and qualifications	470	Implemented	
Transportation-Trans- portation Authority (Toll Facilities)	Transportation 4-205	All Employees	950	Not Implemented	An independent classifica- tion and compensation plan based on the Cresap study has been prepared.
Transportation - State Highway Administration	Transportation 8-204	All Employees	4050	Not Implemented	
Transportation - (Mass Transit)	Transportation 7-206	All Employees	2600		

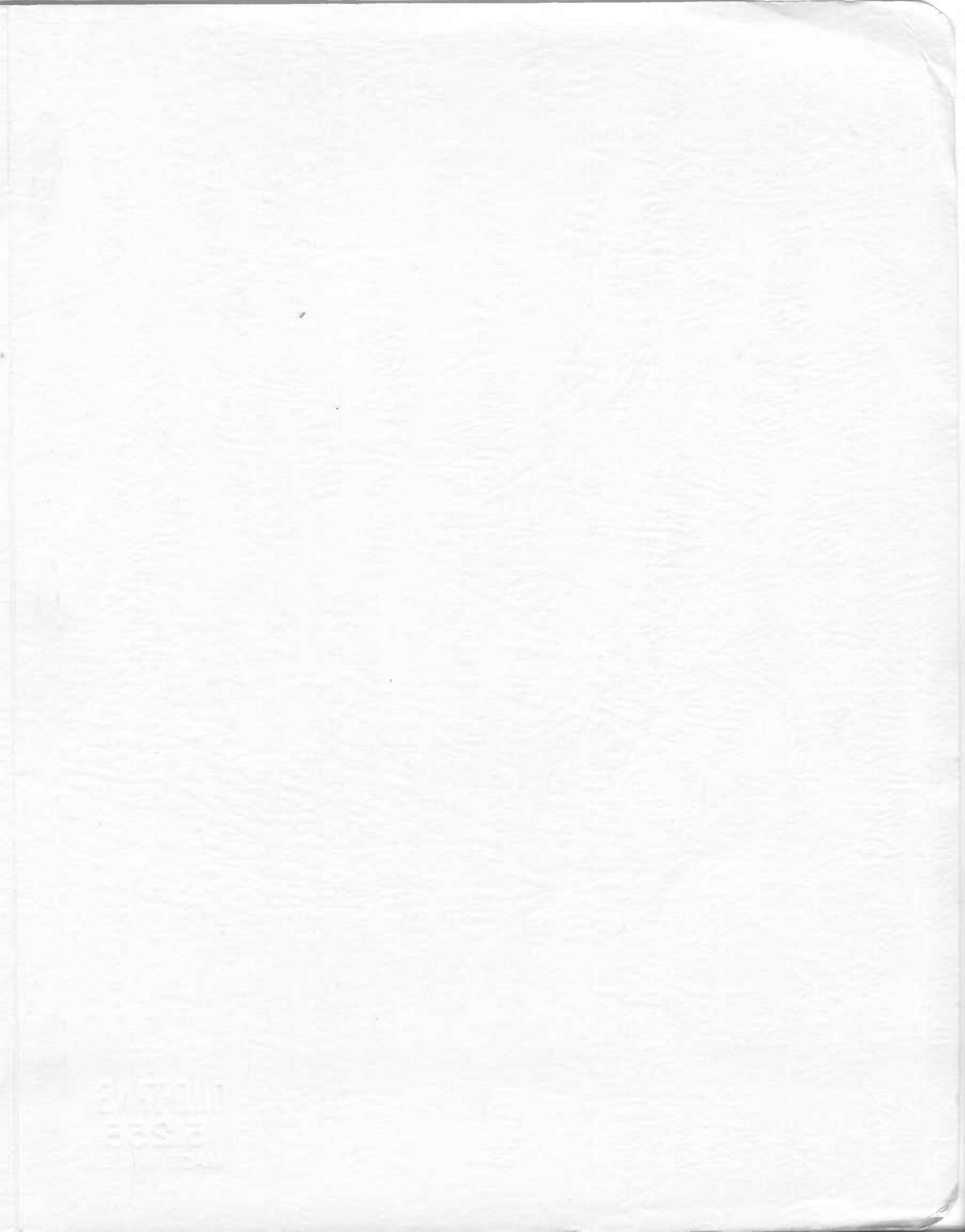
<u>Department/Agency</u>	<u>Authority</u>	<u>Groups Covered</u>	<u>Employees</u>	<u>Status and Date of Implementation</u>	<u>Comments</u>
<u>Education</u>					
Lida Lee Tall Board	Education 24-106	All Staff	7	Enacted and implemented 1983	Common practice for faculty and professionals.
<u>All Other</u>					
Licensing & Regulation Division of Labor and Industry	Art. 89, Sec. 11	Chief Mediator	1	In effect	Set by Secretary of Licensing and Regulation with approval of Governor. Position count refers only to positions on DOP files. Others are not carried on budgeted positions.
Licensing & Regulation Racing Commission	Art. 788 Sec. 5	Additional employees	5	Implemented	
Maryland Veterans' Home Commission	State Government 9-927	All employees of the Home	3		Facility will be contract operated.
Assessments and Taxation	Art. 81 Sec. 246	Persons transferred from local jurisdictions in 1974-6 retain right to remain in local pay and classification systems for present job and for any job to which promoted at any time in the future	about 100	Implemented	
Regional Planning Council	Art. 78D Sec. 10	Three Assistant Directors and the Director	4	Implemented	
<u>Agriculture</u>					
State Soil Conservation Committee	Articulture Sec. 8-203	All employees of Committee			
Apple Commission	Sec. 10-404D	All employees of Committee			
Tobacco Authority	Sec. 7-204	All employees of Committee			

<u>Department/Agency</u>	<u>Authority</u>	<u>Groups Covered</u>	<u>Employees</u>	<u>Status and Date of Implementation</u>	<u>Comments</u>
State Retirement Agency	Art. 73B Sec. 160	Professional or technical positions which require specialized skill, education or knowledge as recommended by the Board and approved by the Board of Public Works	to 30-35	Not Implemented	Positions remain in Merit System
State Investment Agency	Art. 73B Section 161	Professional or technical positions which require specialized skill, education or knowledge as recommended by the Board and approved by the Board of Public Works	5	Implemented July, 1983	
Dept. of Budget & Fiscal Planning Board of Public Works	Art. 78A Sec. 1A	Secretary of the Board	1		
Legislative and Judicial District Court	Courts & Judicial Proceedings 2-602	The chief clerk, the assistant chief clerks, the supervising auditor and the chief administrative clerks of the districts shall receive the compensation specified by the General Assembly	about 20	Implemented	Separation of powers may well remove all 950 District Court employees; the issue has not been raised.
Admin. Office of Courts	Opinion of Atty. General Jan. 1977	All employees	35	Implemented	Separation of powers was basis for opinion.

<u>Department/Agency</u>	<u>Authority</u>	<u>Groups Covered</u>	<u>Employees</u>	<u>Status and Date of Implementation</u>	<u>Comments</u>
<u>All Other</u>					
<u>Dept. of Human Resources</u>					
<u>Social Services</u>	Art. 88A-1	All employees of the State Admin. and such local employees as are state financed	6300	Not Implemented	Income Maintenance and Child Support Enforcement Administration included in count.
Office of Comm. Serv.	Art. 41-362	Director			
Maryland Service Corps	Art. 41-364B	Director			
Energy Assistance Prog.	Art. 41-493	Director			
<u>Employment and Training</u>	Art. 95A-12	All Employees	1400	Not Implemented	
<u>Maryland Environmental Service</u>	Natural Resources 3-104	Positions designated by the Director with the approval of the Secretary of Natural Resources.	1-2	Generally not implemented for HC staff	
				Implemented for plant operations personnel	
<u>Maryland Food Center Authority</u>	Art. 41 Sec. 414	All Employees	30	Implemented	
<u>Dept. Economic and Comm. Development</u>					
<u>Economic Develop. Div.</u>	Art. 41-259	Director			
<u>St. Mary's Commission</u>	Art. 41 Sec. 371	All Employees	30	Implemented	Joint authority of Comm. and Secretary, Economic and Community Development.

<u>Department/Agency</u>	<u>Authority</u>	<u>Groups Covered</u>	<u>Employees</u>	<u>Status and Date of Implementation</u>	<u>Comments</u>
Circuit Court of Baltimore City	Courts & Judicial Proceedings 2-5A	Employees shall be subject to a merit system to be devised by a judicial personnel committee	380	Not Implemented	Baltimore City and Washington County are the only circuit courts to have their complement on DOP records. Statute requires Washington County employees to be in the State's Merit System(!)
Register of Wills	Art. 19 Sec. 26A	Assistant Clerks			
State Law Library		All employees	10	Implemented	We have used the 1977 Opinion based on separation of powers to cede these to the courts.
Other agencies of the Judiciary			10		
Judges	Courts & Judicial Proceedings 1-708	District, Circuit, and Appellate Judges	212	Implemented	Before the Commission was created, judges received the same pay raise as State employees in the lowest step of the highest grade of the standard salary scales. The language remains in CJ 1-703.

<u>Department/Agency</u> <u>Legislative and Judicial</u>	<u>Authority</u>	<u>Groups Covered</u>	<u>Employees</u>	<u>Status and Date of Implementation</u>	<u>Comments</u>
Dept. of Legislative Reference	State Govt. 2-1307	All employees except those non- professional employees who were in the Merit System prior to the current statute may remain so, but must give this up to be promoted from their current job	76	Implemented	Prior to current statute, the clerical and other nonprofessional staff were in the Merit System and were paid on the standard pay schedule.
Dept. of Fiscal Services	State Govt. 2-1207				



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